

Table J. Sources and Methods for the Quarterly and Annual Estimates of State Personal Income

Components of personal income	Extrapolators for preliminary quarterly estimates	Extrapolators for second quarterly estimates and interpolators for revised quarterly estimates ¹	Latest annual estimates
Wage and salary disbursements by industry: ²			
Farms	Trend extrapolation ₃	Trend extrapolation ₃	U.S. Department of Agriculture (USDA) estimates of farm labor expenses
Forestry, fishing, related activities and other	Trend extrapolation	Quarterly Wages and Salaries from BLS Covered Employment and Wages (CEW) ⁴	Annual Wages and Salaries from CEW and USDA estimates of farm labor expenses
Mining	Monthly employment from the Current Employment Statistics (CES) survey ⁵	Quarterly CEW	Annual CEW wages and salaries
Construction	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Utilities	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Manufacturing:			
Nondurable goods	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Durable goods	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Wholesale trade	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Retail trade	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries

Transportation and warehousing, excluding railroads	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Railroads	Quarterly national payrolls from the Department of Transportation and the state employment from the Railroad Retirement Board (RRB)	Department of Transportation and RRB data	Annual state payrolls from the RRB
Information	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Finance and insurance	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Real estate and rental and leasing	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Professional and technical services	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Management of companies and enterprises	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Administrative and waste services	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Educational services	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries, data from <u>County Business Patterns (CBP)</u> , and Census Bureau population data ⁶
Health care and social assistance	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Arts, entertainment, and recreation	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Accommodation and food services	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries

Other services	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries, data from CBP, and Census Bureau population data ⁶
Federal civilian	CES monthly employment	CES monthly employment data	Annual CEW wages and salaries
Federal military:			
Active duty	Number of personnel and average pay by service from the Department of Defense (DOD) and payroll data from the Coast Guard	DOD number of personnel and average pay and Coast Guard payroll data	DOD and Coast Guard
Reserves	Trend extrapolation	Trend extrapolation	DOD payroll outlay data
State and local government	CES monthly employment	Quarterly CEW	Annual CEW wages and salaries
Supplements to wages and salaries: ²			
Employer contributions for employee pension and insurance funds ²	Estimates of wages and salaries by industry ⁷	Estimates of wages and salaries by industry ⁷	Estimates of wages and salaries by industry; supplemented by data from A.M. Best Company, the Social Security Administration, and other agencies ⁷
Employer contributions for government social insurance ²	Estimates of wages and salaries by industry ⁷	Estimates of wages and salaries by industry ⁷	Estimates of wages and salaries by industry; supplemented by data from BLS and U.S. Bureau of the Census. ⁷
Proprietors' income: ²			
Farm proprietors' income	USDA estimates of farm cash	USDA estimates of farm cash	USDA annual estimates of farm gross income and

	receipts and trend extrapolation	and receipts and trend extrapolation	expenses
Nonfarm proprietors' income:			
Construction	Estimates of construction wages and salaries ⁸	Estimates of construction wages and salaries ⁸	Internal Revenue Service (IRS) gross receipts and net profits of proprietorships and partnerships and <u>CBP</u> number of small establishments
All other industries	Trend extrapolation	Trend Extrapolation	IRS and <u>CBP</u> data
Personal dividend income	Trend extrapolation	Trend extrapolation	IRS, Census Bureau, and Social Security Administration (SSA) data
Personal interest income	Trend extrapolation	Trend extrapolation	IRS, Census Bureau, and SSA data
Rental income of persons	Trend extrapolation	Trend extrapolation	IRS and Census Bureau data
Personal current transfer receipts			
Unemployment insurance (UI) benefits	UI benefits from the Employment and Training Administration (ETA)	ETA UI benefits	ETA UI benefits
All other	Trend extrapolation	Trend extrapolation	Data from SSA, Health Care Financing Administration (HCFA), Census Bureau, Department of Veterans Affairs (DVA), and other agencies
Contributions for government social insurance			

Employer contributions for government social insurance ²	Estimates of wages and salaries by industry ⁷	Estimates of wages and salaries by industry ⁷	Estimates of wages and salaries by industry; supplemented by data from BLS and U.S. Bureau of the Census. ⁷
Personal contributions for government social insurance	Sum of the estimates of wages and salaries for all industries ⁷	Sum of the estimates of wages and salaries for all industries ⁷	Estimates of wages and salaries for the contributions by most employees; SSA, HCFA, Census Bureau, and DVA data for contributions by others
Addendum: Residence adjustment ⁹	Estimates of wages and salaries and OLI by industry less personal contributions	Estimates of wages and salaries and OLI by industry less personal contributions	Estimates of wages and salaries by industry and Census Bureau and IRS data

1. The data used for the extrapolation of the second quarterly estimates are also used to interpolate the revised annual estimates to quarters in the preparation of the revised quarterly estimates

2. The quarterly estimates of wages and salaries, supplements to wages and salaries, and proprietors' income are prepared at the sector level of the North American Industrial Classification System (NAICS) and the annual state estimates are prepared at the subsector level.

3. The trend extrapolation is based on the relationship between the annual state estimates and the annual NIPA estimates.

4. Tabulations of wages and salaries from the Bureau of Labor Statistics (BLS) Covered Employment and Wages (CEW).

5. The Current Employment Statistics (CES) survey is conducted monthly by the state employment security agencies; the CES program is coordinated by the Bureau of Labor Statistics, which publishes the data in Employment and Earnings.

6. County Business Patterns is published annually by the Census Bureau. This series was not used for the 'annual state estimates of proprietors' income released in April 2004, because more current data were available from the Internal Revenue Service.

7. The use of the estimates of wages and salaries in the estimation of quarterly and annual supplements to wages and salaries and contributions for social insurance incorporates the

state relative changes and distributions of the source data used for wages and salaries into the estimates for the other components, for which more direct source data are unavailable.

8. For the quarterly estimates of proprietors' income in the construction industry, the quarterly relative changes in the estimates of wages and salaries are used instead of the annual trends in proprietors' income because the annual trend does not capture well the rapid and irregular fluctuations in the activity of this industry.

9. The residence adjustment is not a component of personal income.
